
Public-Private Initiatives Act

Overview and Table of Contents

This section provides information about the Public-Private Initiatives (PPI) Act and the Public-Private Initiatives Program administered by the Department of Transportation.

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Chronology of PPI Program

- 1993** HB 1006, Public-Private Initiatives in Transportation (PPI), is enacted into law (RCW 47.46). A program is created within WSDOT to implement the law.
- 1994** WSDOT issued a Request for Proposals (RFP) inviting private firms to submit proposed projects for consideration. Fourteen project proposals were received. Six projects were selected and approved by the Transportation Commission for further consideration:
1. SR 18 Corridor between I-5 and I-90
 2. SR 520 including the Evergreen Point Bridge
 3. Puget Sound Congestion Pricing project
 4. SR 522 from Woodinville to Monroe
 5. King County Park and Ride lot improvements
 6. SR 16/Tacoma Narrows Bridge
- The SR 18 Corridor project was dropped from consideration due to lack of public involvement and support.
- 1995** PPI law was amended to require WSDOT to conduct an advisory vote on projects that were challenged by petition of 5,000 signatures.
- The Puget Sound Congestion Pricing project was dropped from consideration.
- 1996** PPI law amended to require legislative funding for environmental, engineering and public involvement work before proposed projects could proceed. Only the Tacoma Narrows Bridge project received legislative appropriations. Therefore, SR 520 and SR 522 were dropped from further consideration.
- 1997** King County Park and Ride lot improvement proposal was dropped from consideration due to local funding concerns.
- United Infrastructure of Washington (UIW), a joint venture of Bechtel Infrastructure and Kiewit Pacific, was selected as the project development and construction team for the SR 16 Tacoma Narrows Bridge (TNB) project. Included on the team, is the design-builder, Tacoma Narrows Constructors, also a joint-venture of Bechtel and Kiewit.
- 1998** The Legislature passed legislation to provide sales tax deferrals on construction of the TNB project; required the initial roundtrip toll to not exceed \$3; and to provide \$50 million state contribution to the project. The advisory vote was held, with 53 percent of the voters in the affected area favoring the project.
- 1999** The Legislature authorized the \$50 million state contribution. WSDOT entered into a contract with UIW to develop the project.
- 2000** The Governor approved \$800 million in privately-issued tax exempt financing for the TNB project. However, the State Supreme Court ruled that WSDOT lacked statutory authority to impose tolls to improve the existing Tacoma Narrows Bridge. In effect, this halted the project from advancing, as toll revenues collected from existing bridge users is required to fully finance construction of the new bridge.
- 2002** Legislation was enacted that allowed for the state to finance the Tacoma Narrows Bridge Project and improvements to the existing bridge using state-issued bonds and public financing. The Legislature appropriated \$849 million for the project, which included \$800 million to be obtained from the sale of the bonds, which will then be paid back through tolling. WSDOT took over management of the construction and

operation of the project, reimbursing UIW for their development efforts to date. Also, the Legislature directed a study of barriers to public-private partnerships, and also established a legislative oversight committee to monitor the design-build contract.

Overview of PPI Legislation Enacted In 2002 For Tacoma Narrows Bridge

- The Public-Private Initiatives law, RCW 47.46, was amended by passage of EHB 2723 to allow greater flexibility for PPI projects to be financed with either public or private funds. In those instances where the Legislature specifically provided state financing, the Secretary of Transportation must incorporate public financing provisions into any agreement to which the state is party. If the other parties to the agreement refuse to utilize state financing as directed by the Legislature, the Secretary of Transportation may not proceed with such agreement.
- The WSDOT is authorized to provide for the establishment and construction of public toll facilities that are selected for development under the PPI law. If a proposal is selected for construction under the PPI Act, subsequent agreements to implement the proposal do not require the solicitation of new proposals. The Transportation Commission is authorized to act as toll authority to impose tolls for PPI projects that provide for state-financed toll bridges. The commission is granted legislative approval, as required under Initiative 601 to increase bridge tolls in excess of the fiscal growth factor, if necessary, to meet the financial obligations of the project.
- \$800 million in Referendum 49 bonds are specifically provided for PPI projects. A special account is created for the Tacoma Narrows PPI project. Toll revenues and bond proceeds must be deposited into this account and used strictly for the Tacoma Narrows PPI project. Tax deferrals that are available to the private partner for this project are made available to the WSDOT, if the project is publicly financed.
- The prohibition against tolling the existing Tacoma Narrows Bridge is amended to allow tolling as long as any state-provided financing is utilized. State highway construction funds must only be used for maintenance costs on the existing Tacoma Narrows Bridge.
- A citizen advisory committee was created to review and make recommendations on proposed changes to toll rates for PPI projects to the Transportation Commission. The committee is comprised of residents of the affected PPI project area, and are appointed by the Governor.
- A legislative oversight committee was established with one member from each caucus to monitor the project, particularly the design-build process.

Project Status

The Tacoma Narrows Bridge Project is an \$849 million design-build project. The project includes:

- Construction of a new suspension bridge, located south of the existing bridge;
- Seismic and deck improvements to the existing bridge;
- Construction of a westbound and eastbound HOV lane on SR 16 between Jackson Avenue and a 36th Street;
- Construction of one new "split-diamond" interchange at 24th and 36th Streets; and
- Construction of an eastbound Toll Plaza.

The new bridge will be about one and a half times as wide as the existing bridge and includes three 12 foot lanes, two ten foot shoulders, and a 10 foot separated bike/pedestrian path. The bridge will also be designed to accommodate a second deck for the future.

On July 16, 2002, WSDOT executed a \$615 million fixed-price design-build agreement with Tacoma Narrows Constructors (TNC), a joint venture of Bechtel Infrastructure and Kiewit Pacific. Tacoma Narrows Constructors immediately moved forward to mobilize staff in advance of an early fall "Notice to Proceed." On September 18, 2002, the first bond sale at \$158 million was awarded for the project. On September 20, 2002, WSDOT executed a \$9.1 million fixed-price Toll System Installation Agreement with TransCore, L.P., a Delaware Limited Partnership.

Following the bond sale, WSDOT provided a "Notice to Proceed" to TNC and TransCore on September 25, 2002. To commemorate the start of the new Tacoma Narrows Bridge Project, a public ground breaking event was held on Saturday, October 5, 2002. State and local officials attended including Governor Gary Locke, Congressman Norm Dicks, House of Representatives Speaker Frank Chopp, Senator Bob Oke, and many others.

After two years of design and construction, TNC is about halfway finished with the project. During this time, major milestones have been achieved. The bridge caissons, or the bridge's in-water pier foundations, have been completed. They were towed to the Narrows and positioned in July and August of 2003. Once the caissons were secured with anchor cables, crews began the "top-down" construction. As each 10-foot layer of concrete was placed, the caissons slowly and methodically descended closer to the Narrows seabed. The caissons "touched down," or successfully reached the Narrows seabed in December 2003 and January 2004. Following touchdown, crews continued building the final 10-foot lifts, while excavating soil out of each of the 15 interior cells that make up their honeycombed structure. Excavating of the soil from each cell allowed the caissons to slowly sink to their final resting place about 60 feet below the seabed. This was accomplished in May and June of 2004. The "distribution caps" of the caissons were completed in June and July 2004. Currently, crews are constructing the two 510-foot towers in 17-foot concrete lifts atop the caissons.

Two 63-foot-deep anchorages were excavated on the eastern and western shores and then filled with nearly 16,000 cubic yards of concrete. Currently the anchorages are approximately 75% complete and when finished will eventually provide the massive force needed to secure the suspension cables.

Improvements to 2 ½ miles of SR 16 are also included in the scope of this project, and major portions of roadwork were accelerated and completed early for the benefit of local residents. A new underpass spanning SR 16 at 24th Street NW was opened to traffic in September 2003, along with two new on and off ramps in the westbound direction which opened to traffic in October

2003. In April 2004, another new on and off ramp at 36th Street NW was opened to traffic. A large amount of new pavement has been laid on the new mainline. Several large retaining walls have been completed, the toll operations building is under construction, seismic upgrade of the existing bridge has begun, and overseas fabrication of the bridge deck and components is under way.

Providing information to the public is an important role in the project. Three Public Information Managers have been hired to assist communications management for the project—two by WSDOT and one by TNC. Their intent has been to work closely with the public, media, and elected officials to ensure that project information is communicated in a meaningful and timely manner. To date, WSDOT has hosted four open houses to the local communities to keep them abreast of the issues and progress of the project, dozens of presentations and project tours have been given to varying organizations, and WSDOT continues to meet with newspaper editorial boards to share information. A project newsletter ("Bridge Spans") has been developed, in addition to a project website at www.tacomanarrowsbridge.com, to provide project information. Additionally, an award-winning historical website was developed. Requests for project information should be directed to Linea Laird, WSDOT TNB Project Manager at (253) 534-4640.